

Interior and Environment Appropriations Subcommittee hearing on Bureau of Ocean Energy Management, Regulation & Enforcement and the Office of Natural Resource Revenue FY 2012 Budget:

"The Deepwater Horizon blowout proves beyond a doubt that there are inherent risks to drilling offshore. It also underscores the fallacy of the "drill baby, drill" mantra. Drilling at all costs to satisfy this nation's rapacious energy needs is reckless and costly. The truth is that we will never achieve energy independence by drilling for more oil in the U.S."

Statement of Ranking Member James P. Moran

March 17, 2011

Good morning and thank you Mr. Chairman.

Almost 11 months ago, on April 20, 2010, news of an explosion on Transocean's Deepwater Horizon drilling rig broke.

The explosion took the lives of 11 crew members. The nation watched as one attempt after another failed to cap the spewing well.

Between the explosion and completion of the capping operation on August 2nd, some 4.9 million barrels of oil spewed into the Gulf of Mexico. That's over 200 million gallons!

Needless to say, it has been a tumultuous year for regulating offshore oil and gas drilling. The Interior Department restructured a bureaucracy that operated with inherent conflicts of interest and with a culture that was too subservient to the oil and gas industry.

The new Bureau of Ocean Energy Management, Regulation and Enforcement has had a challenging tenure, trying to ensure that another gulf disaster does not occur while being attacked by oil and gas interests in Congress for not moving fast enough. It's hard to believe, but now they're being blamed for rising gasoline prices.

Last I checked, the price of gasoline is set in the international market, and our net production, even with deepwater drilling, opening up conservation areas in Alaska and the Atlantic and Pacific Coasts, would have no immediate impact on world oil prices and minimal impact over the next decade.

The Deepwater Horizon blowout proves beyond a doubt that there are inherent risks to drilling offshore.

It also underscores the fallacy of the "drill baby, drill" mantra. Drilling at all costs to satisfy this nation's rapacious energy needs is reckless and costly.

The truth is that we will never achieve energy independence by drilling for more oil in the U.S.

Under the friendliest, most pro-oil industry administration, U.S. oil production declined between 2001 and 2008, and that is with generous tax subsidies and lax regulation.

In 2001, the U.S. produced 2.118 billion barrels a year; in 2008 we produced 1.812 billion barrels a year.

Ironically, the Obama Administration's first year, we saw domestic production increase to 1.957 billion barrels of oil per year.

And monthly average production, which did decline during the temporary moratorium on issuing new deepwater drilling permits, was 174,344 million barrels for December 2010, the latest data I could find.

During the last month of the Bush administration, the domestic production average was 156,751 barrels.

We are less than five percent of the world's population, yet we consume approximately 25 percent of the world's oil.

There is no way we can drill ourselves toward energy independence or lower pump prices.

Given the overwhelming scientific consensus that fossil fuel combustion is damaging our environment and damaging the economic prospects of future generations, there is a legitimate interest in curbing our profligate use of fossil fuels.

We will not settle this debate today, but the ghosts of Deepwater Horizon should chasten those who now call for relaxing the permitting and inspection process.

Mr. Bromwich, you are a former federal prosecutor and Associate Counsel in the Office of Independent Counsel for Iran-Contra.

You have a reputation as a very tough and thorough prosecutor.

I believe you have the background and experience needed to stand firm on the appropriate level of federal regulation and to root out an entrenched culture that was too subservient to the oil and gas industry.

I welcome Mr. Gould and Mr. Bromwich and look forward to learning how your efforts on these concerns are progressing.

I am particularly interested in understanding how your budget proposal helps address some of the glaring problems raised in the BP oil disaster's Presidential Commission.

Let me close my statement with a quote from the famous chemist and inventor of nylon, W. H. Carothers,

"Living in the midst of abundance we have the greatest difficulty in seeing that the supply of

natural wealth is limited and that the constant increase of population is destined to reduce the American standard of living unless we deal more sanely with our resources."

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